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PENCE, BAYH URGE CONFERENCE COMMITTEE TO MAKE PART OF IRAQ RECONSTRUCTION

Washington, Oct 20, 2003 — Washington, D.C.— Congressman Mike Pence (R-IN) and Senator Evan Bayh (D-IN) became the lead signatories on a bicameral letter to conferees in support of making a portion of the reconstruction funding for Iraq a loan instead of a grant.

The letter follows:

Dear Conferees:

We write as supporters of amendment number S.1871 to S.1689, the Emergency Supplemental Appropriations for Iraq and Afghanistan Security and Reconstruction Act. This bipartisan amendment was adopted in the Senate by a margin of 51 - 47. We believe it reflects a majority opinion of the Senate as well as a substantial opinion on both sides of the aisle in the House of Representatives.

Briefly, this amendment provides full and immediate funding for reconstituting Iraq's security services and more than \$5 billion in emergency grant funds to begin immediately the process of building and reconstructing Iraq's infrastructure. These funds represent the maximum amount of money Iraq could spend this fiscal year, according to the World Bank.

This amendment also provides an additional \$10 billion in reconstruction funds to Iraq in the form of a loan. That loan shall be converted to a grant at the time the President certifies to the Congress that 90 percent of Iraq's foreign, bilateral debt has been forgiven. With this stipulation, the amendment we support provides an incentive for other countries to forgive their odious, Saddam-era debts and reflects the enormous generosity of the American people.

We are strong supporters of the President's effort to make Iraq safe and secure, and recognize that these monies are critical to succeeding in Iraq and establishing an environment that allows our troops to come home as soon as possible. Amendment number S. 1871 ensures that the American people will continue to support this effort and we urge you to preserve it in its entirety during conference deliberations of S.1689.

Sincerely,

Senator Evan Bayh
Mike Pence, Member of Congress

The provision Bayh and Pence are advocating is similar to the Pence Amendment offered last week in the House that would have made the first 50 percent of the funding available immediately as a grant, giving priority to fundamental needs such as security, electric sector infrastructure, oil infrastructure, public works, water resources, transportation and telecommunications infrastructure and other needs.

Under the amendment, once the Administration informs Congress that a democratically elected government in Iraq has been established, the balance of the funding would be made available 'in the form of loans from the United States government,' under terms determined by the President.

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